

City of Culver City, California
City Council Agenda Item Report

Meeting Date: 11/26/07		Item Number: <u>A-4</u>	
AGENDA ITEM: Approval of a Professional Services Agreement with Sidewalk Strategies, A Division of Tramutola LLC, to Provide Public Education Advisory Services Relating to Proposed Modernization of the City's Utility Users' Tax, and Approval of Additional Appropriation of \$20,000 for the Implementation of the Public Education Program.			
Contact Person/Dept.: Nick Kimball, Budget & Finance		Phone Number: 310.253.6013	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☒ No ☐	
Public Hearing: ☐		Action Item: ☒ Attachments: ☒	
Public Notification: Master Notification List 11/21/07			
Department Approval: Marlee Chang (11/21/07)		City Attorney Approval: Carol Schwab (by H. Iker) (11/20/07)	
Fiscal Impact Review: Marlee Chang)11/21/07)		City Manager Approval: Jerry B. Fulwood (11/21/07)	
<u>RECOMMENDATION:</u> Staff recommends the City Council: (1) approve a professional services agreement with Sidewalk Strategies, a Division of Tramutola LLC, to provide public education advisory services related to the proposed Utility Users' Tax ballot measure in an amount not-to-exceed \$23,000; (2) approve an appropriation in the amount of \$20,000 from unappropriated reserves to implement the public education program (this budget amendment requires a 4/5th vote of the City Council); and (3) direct staff to work with the Budget and Finance Subcommittee to develop and implement a public education and information plan. <u>BACKGROUND:</u> On June 18, 2007, the City Council unanimously directed staff to proceed with drafting a proposed ordinance to modernize the communications provisions of the City's Utility Users' Tax (UUT). At that meeting, Council also unanimously approved \$50,000 to retain professional services related to drafting a modernized ordinance for the ballot. Subsequently, the City retained the legal services of Colantuono & Levin, PC to assist with the development of the draft ordinance. On September 24, 2007, staff presented a proposed draft UUT ordinance (Title 3, Chapter 3.08.200, et seq. of the Culver City Municipal Code) for Council's review. At that meeting, the City Council made no changes to the draft ordinance and directed staff to bring back the proposed modernized ordinance for consideration for placement on the April 2008 ballot.			

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On October 8, 2007, the City Council approved staff's recommendation to forego a community poll and develop the public education activities for the UUT ballot measure in-house.

DISCUSSION:

Subsequent to the October 8th Council meeting, staff met internally and with the Budget and Finance Subcommittee to discuss the public education program. As a result of the feedback received from those meetings, staff would like to develop a public education program that is comprehensive and includes not only issues related to the UUT, but also fiscal issues related to other areas such as:

- Economic development and redevelopment;
- Increased demand for safety services;
- Funding needs for capital improvement projects and deferred maintenance for City's infrastructures ; and
- How national, state, and local economic conditions impact the City's General Fund operations.

UUT revenue is one component of a larger financial picture and staff believes that the current UUT issue presents the opportunity to comprehensively educate the public on the full spectrum of City fiscal issues.

The recommended public education program will expand the initial proposed in-house public education program to address a wider array of fiscal issues. However, staff realizes that a broad educational program informing the public of the specifics should not lose focus on the UUT as a critical issue. Therefore, staff strongly recommends that a firm with public education experience related to the UUT assist City staff with the UUT portion of the public education program. This will free up staff time to focus on preparing information for the overall public education program, which will include an update of the City's Comprehensive Financial Plan and the preparation of the City's annual budget.

During the previous request for proposals, Tramutola LLC was ranked by staff as the best choice for public education advisory services because of their positive references and experience working with other cities in a similar situation as Culver City. Tramutola worked with three of the eight cities that presented a modernized UUT ordinance to their voters on November 6th (UUT measures were approved by the voters of Benicia, Los Altos, and Ventura).

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Staff contacted Tramutola to discuss some of Culver City's specific circumstances and needs related to the proposed UUT ballot measure. After speaking with Tramutola, staff was provided with a revised proposal to assist with developing a quality UUT public education program (Attachment 1). Tramutola determined that, due to the scope of services requested, Sidewalk Strategies, a Division of Tramutola LLC established to work with public agencies on non-electoral planning and public information projects, would be better suited to meet the City's needs. Their proposal suggests a two-phase approach.

In Phase I of Sidewalk Strategies' proposed approach (December 2007 – January 2008), they will focus on research and planning and work with the City staff to develop a written public education plan. In Phase II of Sidewalk Strategies' proposed approach (January 2008 – April 2008), they will assist in the execution and implementation of the public education plan developed in Phase I. Staff will continue to be the lead in implementing the program and conducting any planned public meetings.

Due to their experience and understanding of the UUT issue, staff is recommending that City Council award a contract to Sidewalk Strategies to provide public education advisory services to assist staff with developing the UUT portion of the public education program.

Simultaneously, Budget staff will work to update the Comprehensive Financial Plan and develop the broader education program mentioned above. Again, staff will be the lead in implementing the total public education program; the consultant will be assisting primarily in developing the UUT portion of the program.

Staff believes the expertise provided by the consultant will enhance the overall public education program. The City is facing many fiscal issues which were addressed in the City's Comprehensive Financial Plan, and staff believes that educating the public on the City's finances is crucial at this time. Staff will work with the consultant and anticipates the public education program that is developed will continue to be used as a tool in the future.

Additionally, staff is requesting that the City Council appropriate \$20,000 to implement the public education program. This includes printing and binding of educational materials for distribution to the public, printing and mailing educational brochures and/or flyers, printing announcements and advertisements for meetings with the public, and other miscellaneous costs directly related to the implementation of the public education program. This budget amendment requires a 4/5th vote of the City Council (see fiscal analysis section).

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Staff also recommends that City Council direct staff to work closely with the Budget and Finance Subcommittee to act in an advisory capacity to develop the public education and information plan.

Timeline

If Council authorizes the contract, staff will begin to work with Sidewalk Strategies and the Budget and Finance Subcommittee immediately upon execution of the service contract. It is anticipated that a public education plan will be provided to City Council within 30 days.

Pursuant to the recommendation by the Budget and Finance Subcommittee, staff plans to begin implementation of the activities in the public education plan in February 2008.

FISCAL ANALYSIS:

Sidewalk Strategies has structured the proposal in such a way that the City does not have to take advantage of all of the services offered in each phase. The City may choose the services that would be most beneficial to staff. If staff does not utilize all of the services included in the scope of services, the City will not be invoiced the full amount. Sidewalk Strategies is offering their services for \$10,000 per phase, plus approved expenses (e.g. travel), for a maximum total contract amount not-to-exceed \$23,000 (which includes a 15% contingency for approved expenses). Staff recommends that City Council award the contract to include the entire not-to-exceed amount to provide staff with the flexibility to use Sidewalk Strategies' services for both phases, if necessary.

On June 18, 2007, City Council approved \$50,000 for services related to drafting a proposed modernized UUT ordinance and placing the ordinance on the ballot. Therefore, there are sufficient funds to cover a professional services agreement for the recommended contract services (10120100.619800).

Legal Services	\$25,000
Public Education Advisory Services	\$23,000
Miscellaneous (e.g. Finance Services)	\$2,000
Total	\$50,000

In addition to the approved \$50,000 appropriation stated above, staff is requesting \$20,000 to implement the public education program (i.e. printing and binding of educational materials for distribution to the public, printing and mailing educational brochures and/or flyers, printing announcements and advertisements for meetings

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with the public, and other miscellaneous costs directly related to the implementation of the public education program). Upon City Council's approval, funding will be transferred from the unappropriated reserves. This budget amendment requires a 4/5th vote of the City Council.

ATTACHMENT:

1. Sidewalk Strategies' Proposal

MOTIONS:

That the City Council:

1. Approve a budget amendment to appropriate \$20,000 from unappropriated reserves to implement the public education program (**requires a 4/5ths vote of the City Council for a budget amendment**); and
2. Approve a professional services agreement with Sidewalk Strategies, a Division of Tramutola LLC, to provide public education advisory services related to the proposed updated utility users' tax ordinance in an amount not-to-exceed \$23,000; and
3. Authorize the City Attorney to review/prepare the necessary documents and authorize the City Manager to execute such documents on behalf of the City; and
4. Direct staff to work with the Budget and Finance Subcommittee to develop and implement a public education and information plan.